

**State of Rhode Island and Providence Plantations**

**Public Utilities Commission**

**Minutes of Open Meeting Held July 15, 2004**

**Attendees:** Chairman Elia Germani, Commissioner Kate Racine, Commissioner Robert Holbrook, Steve Frias, Cindy Wilson, Thomas Massaro, Alan Nault and Luly Massaro.

**Chairman Germani called the open meeting to order at 11:00 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.**

**Minutes of Open Meeting Held June 10, 2004:** After review, Chairman Germani moved to approve the minutes. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.** Commissioner Racine abstained because she did not participate at this open meeting.

**Minutes of Open Meeting Held June 25, 2004:** After review, Commissioner Racine moved to approve the minutes. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 2-0.** Chairman Germani abstained because he did not participate at this open meeting.

**Minutes of Open Meetings Held May 17, 2004 and June 29, 2004:** After review, Chairman Germani moved to approve the minutes. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

**Competitive Telecommunications Service Providers:**

The following company registered to operate in Rhode Island. The Division reviewed the registration and recommended approval of:

3611 – Trans National Communications International, Inc.

After review, Chairman asked for a motion and Commissioner Racine moved to approve the registration. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

The following companies filed tariff revisions. The Division has reviewed the filings and does not recommend suspension of:

2535 – Cox Rhode Island Telecom (filed 6/15 & 6/16/04)

2618 – AT&T Communications of NE, Inc. (filed 6/23, 6/30, 7/2 & 7/7/04)

2624 – TCG Rhode Island (filed 6/23/04)

2472 – Sprint Communications (filed 6/29 & 7/6/04)

3098 – A.R.C. Networks, Inc. d/b/a InfoHighway (filed 6/30/04)

2262(F16) – Bell Atlantic Communications, Inc. (filed 6/25/04)

2262(D5) – ITC DeltaCom Communications, Inc. (filed 6/24/04)

2262(C8) – CTC Communications Corp. (filed 6/21/04)

2262(P7) – MCI WorldCom (filed 7/2/04)

2262(E2) – Teleconnect Long Distance Service (filed 7/2/04)

2262(A6) – Southwestern Bell Communications Services (filed 7/8/04)

2262(R11) – GTC Telecom (filed 6/18/04)

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

**3613 – Verizon Rhode Island (Verizon):** Verizon submitted a tariff filing to introduce *Regional Package Unlimited Service* for effect July 16, 2004. The proposed service will provide residential customers with a combination of unlimited local usage, unlimited regional toll usage, and up to three value added services for a flat monthly rate of \$35.00. After review, the Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

**3612 – Narragansett Bay Commission (NBC):** NBC submitted a tariff advice to change the frequency of billing Treatment Fees from annual to quarterly. The Division has reviewed the filing and recommends that it be allowed to go in effect as proposed. It was noted that these fees are collected in advance and billing quarterly will benefit the ratepayers and assist NBC's cashflow. After review, Chairman Germani asked for a motion and Commissioner Racine moved to approve the filing as filed. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

**3580 – Pascoag Utility District (Pascoag):** Discussion related to Pascoag's June 23 tariff filing to adjust the Standard Offer Service rate, Transition and Transmission charges for effect August 1, 2004. Ms. Wilson and Mr. Nault summarized the instant filing which represents a small decrease in rates and was required to be filed pursuant to the tariff. It is anticipated that Pascoag's future power costs, related to a purchased power contract that will expire in December, may not be favorable. Presently, Pascoag's reconciliation shows an overcollection, which would be used to offset a purchase power increase for next spring. Mr. Nault noted that the Division and Pascoag support keeping the current rates at current level. After review, Commissioner Racine moved to dismiss the Pascoag's June 23 filing and allow the current rates to stay in effect. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

#### **Administrative Matters:**

Ms. Wilson summarized the travel that led to the creation of the Telecommunication Education Access Fund (TEAF) noting that the General Assembly set the surcharge level at 26¢ on all telecommunications local lines to fund a program that would allow schools and libraries access to the internet. The General Assembly could raise the surcharge level to 35¢. The General Assembly exempted all state, local and quasi-government bodies from the surcharge (approximately 100,000 lines). The RI Dept. of Education (RIDE) was charged with administering the program, disbursement of the funds and reporting to the General Assembly with information and recommendations regarding the TEAF and budget.

Ms. Wilson informed the Commission on a recent development regarding the TEAF. On July 12, she received a call from a Providence Journal reporter soliciting Commission reaction to a comment made by Mr. Fiske (from RIDE). Mr. Fiske indicated there is a shortfall in the budget as not enough funds were collected through the TEAF, and that the Commission failed to advise on or address the problem.

Ms. Wilson confirmed that there is shortfall in the TEAF collections on the basis that the surcharge has not collected sufficient funds to meet RIDE's projected budget and opined that the exempted government agencies have caused the collection to be lower than what RIDE desired. She advised that the Commission has done everything that is required to do. It has set up a restricted account, and collected and deposited the funds into this account for RIDE. She clarified that it is the responsibility of the General Assembly to set the budget and raise the surcharge, and not the Commission. The Commissioners agreed with Ms. Wilson and noted that Mr. Fiske should seek assistance from the General Assembly to address his budget problem and concerns.

There being no further business to discuss, the open meeting adjourned at 11:30 A.M.